

# Cable Communications Plan

## MISSION STATEMENT

The mission of the Cable Communications Plan is to effectively manage the County's cable television and telecommunications franchise agreements and the Cable Special Revenue Fund to ensure that: cable services in Montgomery County are of high quality; cable and telecommunications providers comply with applicable safety and construction codes; cable customer service requirements and applicable consumer protection provisions are enforced; quality Public, Educational, and Governmental (PEG) cable programming is provided; and to provide a reliable and expedient process for telecommunication carriers to site transmission facilities in the county to speed deployment of services for residents while maintaining adequate public protection.

## BUDGET OVERVIEW

The Cable Communications Plan consists of three elements: the Cable Office appropriation (\$11,574,470), transfers to the County General Fund (\$6,475,690), and transfers to the County Capital Improvements Program (CIP) (\$1,041,000) for a total use of fund resources of \$19,091,160. Within the Cable Office appropriation of \$11,574,470, Personnel Costs comprise 19.8 percent of the budget for eleven full-time positions at 19.2 workyears. Operating Expenses account for the remaining 80.2 percent of the FY10 budget.

In FY10, there are several transfers to the General Fund for the following:

- Montgomery College - Funds are transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund. This transfer of \$1,319,940 is a decrease of \$1,660 or .1 percent from the FY09 amount of \$1,321,600.
- Montgomery County Public Schools - Funds are transferred from the Cable Fund to the General Fund and then to the Montgomery County Public Schools Cable Fund. This transfer of \$1,581,510 is a decrease of \$1,320 or .1 percent from the FY09 amount of \$1,582,830.
- Other - Funds are transferred to the General Fund to cover the cost of certain administrative services provided by the County to the Cable Fund (\$302,000), costs related to Technology Modernization (\$36,410), and other contributions to the General Fund (\$3,235,830).

## LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ **A Responsive, Accountable County Government**
- ❖ **Children Prepared to Live and Learn**
- ❖ **Vital Living for All of Our Residents**

## DEPARTMENT PERFORMANCE MEASURES

This table presents the department's headline measures or submeasures that relate to multiple programs including projections from FY09 through FY11. These estimates reflect funding based on the FY09 savings plan, the FY10 budget, and funding for comparable service levels in FY11.

Measure	Actual FY07	Actual FY08	Estimated FY09	Approved FY10	Projected FY11
<b>Headline Measures</b>					
Percent of Customers Satisfied with Cable Office Compliant Handling	94	94	94	94	94
Number of Hours of Closed Captioned County Cable Montgomery Programming	460	575	600	600	600
Number of Remote Production Events with Engineering Support Provided by Cable Office	19	31	33	36	40
Number of Hours of Closed Captioned Montgomery County Public Schools (MCPS) Programming <sup>1</sup>	108	67	115	125	135

<sup>1</sup> Measure demonstrates internal customer services measures. Performance indicators provide quantitative services in the closed captioning for MCPS productions.

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## ACCOMPLISHMENTS AND INITIATIVES

- ❖ *In FY08, the Cable Office filed a total of 1,770 formal complaints, with 900 (51%) of those cases receiving a credit/refund from the provider. The Cable Office secured a total of \$98,393 in credits/refunds.*
- ❖ *The tower coordination process is to establish a reliable and expedient process for siting transmission facilities and to promote appropriate location and co-location of facilities to minimize adverse impact to the community and public facilities. In FY08, the Transmission Facilities Coordinating Group processed 132 applications - 80 for modifications of existing facilities, 51 for co-location on existing structures, and one for a new monopole; average time to process an application was 46 days.*
- ❖ *In FY08, the Public, Education, Governmental (PEG) programming Network continued to increase and enhance its program offerings meeting the needs of a growing, diverse community. Many programs are closed captioned or produced in languages other than English.*

*--County Cable Montgomery (CCM) increased coverage of County Council committee meetings and added five new program offerings to its program lineup. CCM closed captioned 99.9% of its programming and produced or captioned several of its program offerings in Spanish.*

*--Montgomery College Instructional Television (MC-ITV) produced over 114 hours of original educational and instructional television programming; 23% of MC-ITV's programming is closed captioned.*

*--Montgomery Community Television (MCT) produced over 800 hours of original local programming. MCT closed captioned 10% of its programming.*

*--Montgomery County Public Schools Instructional TV (MCPS-ITV) produced more than 113 new foreign language programs in five different languages. Original programs are translated into: Spanish, Chinese, Korean, Vietnamese and French. MCPS-ITV closed captioned more than 230 hours of live programming.*

### ❖ **Productivity Improvements**

- *In FY08, system design of an upgraded signal monitoring and interconnection system began. Once completed, in FY09, the system will add two-way functionality supporting digital signals and allowing PEG operators to share live and pre-recorded content, upgrade PEG program transmission equipment, simplify signal handoff to the cable operators, and improve PEG signal quality monitoring.*
- *PEG operators continue to migrate to tapeless digital audio/video production, post-production enhancements, and emerging technologies that will reduce cost for supplies and increase operational effectiveness.*
- *In FY08, the PEG Network Mobile Production Vehicle was used in support of 32 productions resulting in increased coverage of community events, improved production capabilities and reduced costs.*

## PROGRAM CONTACTS

Contact Mitsuko R. Herrera of the Cable Television Office at 240.773.2288 or John Cuff of the Office of Management and Budget at 240.777.2762 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### **Cable Franchise Administration**

The Office of Cable and Communication Services in the Department of Technology Services is responsible for administering the cable television Agreements for the County and participating municipalities. The budget for franchise administration includes funds for cable management and enforcement staff, including cable complaint investigation staff, and office operating expenses. Funds will be used to pay for engineering consulting services for work which requires special expertise, such as engineering review of tower siting applications, inspection of cable construction, analog and digital testing of franchised cable systems, PEG cable programming transmission facility digital and engineering upgrades, and the identification and provision of future technologies. Funds will also be used to pay legal and financial consultants for work which requires special expertise, such as preparation of filings on behalf of the County before the Federal Communications Commission, interpretation of legislative proposals, and County representation in negotiations with cable and telecommunications service providers, rate regulation, and franchise compliance.

The responsibilities associated with franchise administration include:

- Ensuring cable operator compliance with franchise financial, technical, and construction requirements and managing the franchise renewal and transfer process;
- Investigating and resolving subscriber complaints;
- Administering the contracts to provide for public access to cable production services;
- Providing liaison, support, and record keeping on performance of the PEG channels;
- Preparing the annual Cable Communications Plan;
- Collecting franchise fees, grants, and other payments to the County;
- Distributing franchise fees, grants, and other payments to participating municipalities;
- Directing and coordinating the Transmission Facilities Coordinating Committee;
- Supporting the Cable and Communications Advisory Committee;
- Strategic planning for Montgomery County government cable and communications technology;
- Monitoring and commenting on changes in State and Federal telecom regulations, rate structure, and related legislative issues;
- Encouraging entry of competitive providers of telecommunication services and negotiating and reviewing proposed telecommunications franchises for use of the public rights-of-way.

<b>FY10 Approved Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>2,084,990</b>	<b>6.7</b>
Decrease Cost: Reduce testing of cable systems infrastructure.	-20,000	0.0
Decrease Cost: Reduce outside legal counsel fees and expenses	-95,000	0.0
Decrease Cost: Reduce Outside Engineering Services	-200,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-17,990	0.0
<b>FY10 Approved</b>	<b>1,752,000</b>	<b>6.7</b>

### **Community Access to Cable**

The Office of Cable and Communication Services in the Department of Technology Services administers a contract with Montgomery Community Television (MCT) through which MCT operates two public access channels. MCT's primary mission is to provide video production facilities, equipment and training to County residents and community organizations in order to provide County residents and organizations with a public forum that encourages diversity of opinion and a marketplace of ideas. MCT staff also produces local community programming designed to address community needs.

<b>FY10 Approved Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>2,652,000</b>	<b>0.0</b>
Decrease Cost: Outside graphic design and marketing services for Montgomery Community Television	-10,000	0.0
Decrease Cost: Reduce operating costs	-79,560	0.0
<b>FY10 Approved</b>	<b>2,562,440</b>	<b>0.0</b>

### **County Cable Montgomery**

The Office of Cable and Communication Services in the Department of Technology Services manages County Cable Montgomery (CCM), the government access channel. CCM airs programming produced by the Executive and Legislative branches to keep viewers abreast of County programs and services for the residents, visitors, and businesses in the community. The County Council's Information Officer develops programming for the Legislative Branch. Broadcasts include live Council meetings, informational programs, documentaries, press conferences, and town hall meetings. The Office of Public Information (PIO) develops Executive Branch programming which includes special events, press conferences, and programs highlighting County services and activities. CCM is also responsible for monitoring the cablecast signals for all Montgomery County PEG access channels, and for supporting the Mobile Production Vehicle for the PEG Network. Over 99 percent of all CCM programming is presented with closed captions.

<b>FY10 Approved Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>2,521,650</b>	<b>7.8</b>
Increase Cost: Increased cost of personnel charged to Cable	161,090	0.0
Increase Cost: Charges from County Public Information Office (PIO)	85,410	1.8
Add: New Position for County Cable Montgomery (CCM) - Web Producer	83,170	0.8
Increase Cost: Increased charges to Cable Fund from PIO for Manager III	19,070	0.1
Increase Cost: Annualization of FY09 Lapsed Positions	13,420	0.2
Increase Cost: Charges to Cable Fund from County Council	9,850	0.1
Increase Cost: Group Insurance Adjustment	3,110	0.0
Increase Cost: Service Increment	2,130	0.0
Increase Cost: Annualization of FY09 Service Increment	1,340	0.0
Increase Cost: Retirement Adjustment	1,040	0.0

	<b>Expenditures</b>	<b>WYs</b>
Decrease Cost: Central Duplicating Deficit Recovery Charge	-120	0.0
Decrease Cost: Printing and Mail Adjustments	-210	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY09	-6,000	0.0
Decrease Cost: Operating expenses associated with County Council programming	-20,000	0.0
Decrease Cost: Operating expenses charged from Public Information Office due to shift of contractual services to in-house services	-42,000	0.0
Decrease Cost: Reduce administrative costs closed captioning, M-NCPPC contract costs	-55,650	0.0
Decrease Cost: Maryland National Capital Park and Planning Commission (MNCPPC) website costs without reducing services	-70,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-37,950	0.0
<b>FY10 Approved</b>	<b>2,669,350</b>	<b>10.8</b>

### **Cable Programming for Public Schools**

The Montgomery County Public Schools (MCPS) Department of Communications and Family Outreach (Instructional TV Unit) has the responsibility for producing programming two educational cable channels. Funds are used for production of instructional, community-based, staff development, and training television programs, as well as for engineering, channel management, and programming acquisition. Additional funds are requested in the operating budget of the public schools. MCPS regular programming includes Board of Education meetings, Homework Hotline Live!, staff training and development, live call-in programs, in-class student programs, student-produced programs, technology training, and televised instruction in a variety of academic content areas. Many programs are translated and transmitted in multiple languages and most programs are presented with closed captioning.

<b>FY10 Approved Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>0</b>	<b>0.0</b>
<b>FY10 Approved</b>	<b>0</b>	<b>0.0</b>

Notes: Funds for these services (\$1,581,510) are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund and then to the Montgomery County Public Schools Fund.

### **Cable Programming for Montgomery College**

The Instructional Television and Media Production Services Unit of Montgomery College is responsible for the cable programming available on the Montgomery College channel. Additional funds are requested in the Montgomery College operating budget. Funds are used to provide for staff, equipment, and operating expenses and provides digital media support services to support student success, academic excellence, and for the entire College community. The channel features acquired and originally produced educational, informational and instructional programming which directly supports the College's distance learning and instructional programs, and provides professional and workforce development and self-enrichment opportunities for community subscribers.

<b>FY10 Approved Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>0</b>	<b>0.0</b>
<b>FY10 Approved</b>	<b>0</b>	<b>0.0</b>

Notes: Funds for these services (\$1,319,940) are not appropriated in the Cable Office, but are transferred from the Cable Fund to the General Fund and then to the Montgomery College Cable Fund.

### **Municipal Support**

**Municipal Franchise Fee Sharing:**

These expenditures represent the quarterly distribution of franchise fees in accordance with current Municipal Franchise Agreements and Municipal/County Agreements.

**Municipal Capital and Operating Support:**

Expenditures provide for equipment acquisition, equipment maintenance, engineering consultation, and operating support for cable television programming services provided by the City of Rockville, the City of Takoma Park, and the Montgomery County Chapter of the Maryland Municipal League (MML) as required by the franchise agreements. Totals approved for each entity are shown in the Cable Communications Plan.

<b>FY10 Approved Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>1,250,000</b>	<b>0.0</b>
Increase Cost: Municipal Capital Support	534,000	0.0

	<b>Expenditures</b>	<b>WYs</b>
Increase Cost: Municipal Franchise Fee Sharing	50,000	0.0
Increase Cost: Municipal Operating expenses	10,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	7,000	0.0
<b>FY10 Approved</b>	<b>1,851,000</b>	<b>0.0</b>

### **PEG Network**

The mission of the Public, Education, Governmental (PEG) Network is to facilitate collaboration among the local access operators in providing and promoting the most effective public access, educational and government programming and media services to the Montgomery County community using current and emerging technologies.

The budget for the PEG Network includes funds for the purchase of equipment and an emergency reserve to be used in the event of imminent system failure for certain PEG operations; PEG engineering support; promotion/outreach support to increase channel awareness and viewership; operational and maintenance support for the mobile production vehicle; and general operating and administrative expenses.

<b>FY10 Approved Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>1,335,900</b>	<b>0.0</b>
Decrease Cost: Reduce funding for specialized community programming	-9,850	0.0
Decrease Cost: Public, Education, Governmental (PEG) programming expenses; printing, marketing, mobile production vehicle	-60,000	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	950	0.0
<b>FY10 Approved</b>	<b>1,267,000</b>	<b>0.0</b>

### **Institutional Telecommunications - FiberNet Operations**

Monies from the Cable Special Revenue Fund are used to support Montgomery County's private communications network – FiberNet. FiberNet is a critical infrastructure asset that provides carrier class voice, video Internet access and data network services for Montgomery County Government and Public Schools, Montgomery College, Housing Opportunities Commission (HOC), the Maryland-National Park and Planning Commission (M-NCPPC) and the Washington Suburban Sanitary Commission (WSSC). Additionally, FiberNet provides private network access to the State of Maryland and all of the local counties, municipalities and the District of Columbia. Expenditures cover the cost of network expansion, monitoring, management, and maintenance services. FiberNet is a countywide multi-million dollar investment that is crucial to the daily operation of local government within Montgomery County and with its citizens, neighboring governments and business partners.

<b>FY10 Approved Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>1,436,190</b>	<b>2.4</b>
Increase Cost: Institutional Telecommunications - Fibernet Operations per Franchise Agreement and Consumer Price Index (CPI)	47,500	0.0
Decrease Cost: Eliminate workyears charged to Cable Fund by Technology Services for Manager III	-98,000	-0.7
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	47,990	0.0
<b>FY10 Approved</b>	<b>1,433,680</b>	<b>1.7</b>

### **Other Cable Activities**

Grants are provided to outside organizations for cable programming and equipment.

<b>FY10 Approved Changes</b>	<b>Expenditures</b>	<b>WYs</b>
<b>FY09 Approved</b>	<b>639,000</b>	<b>0.0</b>
Decrease Cost: Elimination of One-Time Items Approved in FY09	-600,000	0.0
<b>FY10 Approved</b>	<b>39,000</b>	<b>0.0</b>

# BUDGET SUMMARY

	Actual FY08	Budget FY09	Estimated FY09	Approved FY10	% Chg Bud/App
<b>CABLE TELEVISION</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	1,224,526	1,506,710	1,283,510	1,760,060	16.8%
Employee Benefits	373,558	461,600	391,340	531,880	15.2%
<b>Cable Television Personnel Costs</b>	<b>1,598,084</b>	<b>1,968,310</b>	<b>1,674,850</b>	<b>2,291,940</b>	<b>16.4%</b>
Operating Expenses	8,945,533	9,951,420	10,773,150	9,282,530	-6.7%
Capital Outlay	2,880	0	0	0	—
<b>Cable Television Expenditures</b>	<b>10,546,497</b>	<b>11,919,730</b>	<b>12,448,000</b>	<b>11,574,470</b>	<b>-2.9%</b>
<b>PERSONNEL</b>					
Full-Time	9	10	10	11	10.0%
Part-Time	0	0	0	0	—
Workyears	14.5	16.9	16.9	19.2	13.6%
<b>REVENUES</b>					
Franchise Fees 5%	10,663,568	10,584,000	10,955,000	11,280,000	6.6%
Gaithersburg PEG Contribution	200,316	201,000	182,000	187,000	-7.0%
PEG Capital Revenue	247,652	255,000	1,932,000	1,990,000	680.4%
PEG Operating Revenue	3,059,961	2,811,000	2,020,000	2,080,000	-26.0%
I-Net Operating Revenue	1,524,528	1,568,000	1,589,000	1,637,000	4.4%
Tower Application Fees	94,000	80,000	120,000	80,000	—
Investment Income	148,816	80,000	40,000	30,000	-62.5%
Verizon-Grant	200,000	200,000	200,000	200,000	—
Miscellaneous	64,358	0	4,000	0	—
<b>Cable Television Revenues</b>	<b>16,203,199</b>	<b>15,779,000</b>	<b>17,042,000</b>	<b>17,484,000</b>	<b>10.8%</b>

## FY10 APPROVED CHANGES

	Expenditures	WYs
<b>CABLE TELEVISION</b>		
<b>FY09 ORIGINAL APPROPRIATION</b>	<b>11,919,730</b>	<b>16.9</b>
<b>Changes (with service impacts)</b>		
Add: New Position for County Cable Montgomery (CCM) - Web Producer [County Cable Montgomery]	83,170	0.8
<b>Other Adjustments (with no service impacts)</b>		
Increase Cost: Municipal Capital Support [Municipal Support]	534,000	0.0
Increase Cost: Increased cost of personnel charged to Cable [County Cable Montgomery]	161,090	0.0
Increase Cost: Charges from County Public Information Office (PIO) [County Cable Montgomery]	85,410	1.8
Increase Cost: Municipal Franchise Fee Sharing [Municipal Support]	50,000	0.0
Increase Cost: Institutional Telecommunications - Fibernet Operations per Franchise Agreement and Consumer Price Index (CPI) [Institutional Telecommunications - FiberNet Operations]	47,500	0.0
Increase Cost: Increased charges to Cable Fund from PIO for Manager III [County Cable Montgomery]	19,070	0.1
Increase Cost: Annualization of FY09 Lapsed Positions [County Cable Montgomery]	13,420	0.2
Increase Cost: Municipal Operating expenses [Municipal Support]	10,000	0.0
Increase Cost: Charges to Cable Fund from County Council [County Cable Montgomery]	9,850	0.1
Increase Cost: Group Insurance Adjustment [County Cable Montgomery]	3,110	0.0
Increase Cost: Service Increment [County Cable Montgomery]	2,130	0.0
Increase Cost: Annualization of FY09 Service Increment [County Cable Montgomery]	1,340	0.0
Increase Cost: Retirement Adjustment [County Cable Montgomery]	1,040	0.0
Decrease Cost: Central Duplicating Deficit Recovery Charge [County Cable Montgomery]	-120	0.0
Decrease Cost: Printing and Mail Adjustments [County Cable Montgomery]	-210	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY09 [County Cable Montgomery]	-6,000	0.0
Decrease Cost: Reduce funding for specialized community programming [PEG Network]	-9,850	0.0
Decrease Cost: Outside graphic design and marketing services for Montgomery Community Television [Community Access to Cable]	-10,000	0.0
Decrease Cost: Operating expenses associated with County Council programming [County Cable Montgomery]	-20,000	0.0
Decrease Cost: Reduce testing of cable systems infrastructure. [Cable Franchise Administration]	-20,000	0.0
Decrease Cost: Operating expenses charged from Public Information Office due to shift of contractual services to in-house services [County Cable Montgomery]	-42,000	0.0
Decrease Cost: Reduce administrative costs closed captioning, M-NCPPC contract costs [County Cable Montgomery]	-55,650	0.0
Decrease Cost: Public, Education, Governmental (PEG) programming expenses; printing, marketing, mobile production vehicle [PEG Network]	-60,000	0.0

	Expenditures	WYs
Decrease Cost: Maryland National Capital Park and Planning Commission (MNCPPC) website costs without reducing services [County Cable Montgomery]	-70,000	0.0
Decrease Cost: Reduce operating costs [Community Access to Cable]	-79,560	0.0
Decrease Cost: Reduce outside legal counsel fees and expenses [Cable Franchise Administration]	-95,000	0.0
Decrease Cost: Eliminate workyears charged to Cable Fund by Technology Services for Manager III [Institutional Telecommunications - FiberNet Operations]	-98,000	-0.7
Decrease Cost: Reduce Outside Engineering Services [Cable Franchise Administration]	-200,000	0.0
Decrease Cost: Elimination of One-Time Items Approved in FY09 [Other Cable Activities]	-600,000	0.0
<b>FY10 APPROVED:</b>	<b>11,574,470</b>	<b>19.2</b>

## PROGRAM SUMMARY

Program Name	FY09 Approved		FY10 Approved	
	Expenditures	WYs	Expenditures	WYs
Cable Franchise Administration	2,084,990	6.7	1,752,000	6.7
Community Access to Cable	2,652,000	0.0	2,562,440	0.0
County Cable Montgomery	2,521,650	7.8	2,669,350	10.8
Cable Programming for Public Schools	0	0.0	0	0.0
Cable Programming for Montgomery College	0	0.0	0	0.0
Municipal Support	1,250,000	0.0	1,851,000	0.0
PEG Network	1,335,900	0.0	1,267,000	0.0
Institutional Telecommunications - FiberNet Operations	1,436,190	2.4	1,433,680	1.7
Other Cable Activities	639,000	0.0	39,000	0.0
<b>Total</b>	<b>11,919,730</b>	<b>16.9</b>	<b>11,574,470</b>	<b>19.2</b>

## ANNUALIZATION OF PERSONNEL COSTS AND WORKYEARS

	FY10 Approved		FY11 Annualized	
	Expenditures	WYs	Expenditures	WYs
Add: New Position for County Cable Montgomery (CCM) - Web Producer [County Cable Montgomery]	73,170	0.8	91,463	1.0
<b>Total</b>	<b>73,170</b>	<b>0.8</b>	<b>91,463</b>	<b>1.0</b>

